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PORT CRANES
HEAVY-DUTY LIFT TRUCKS
SERVICE
MACHINE TOOL SERVICES

NEWS

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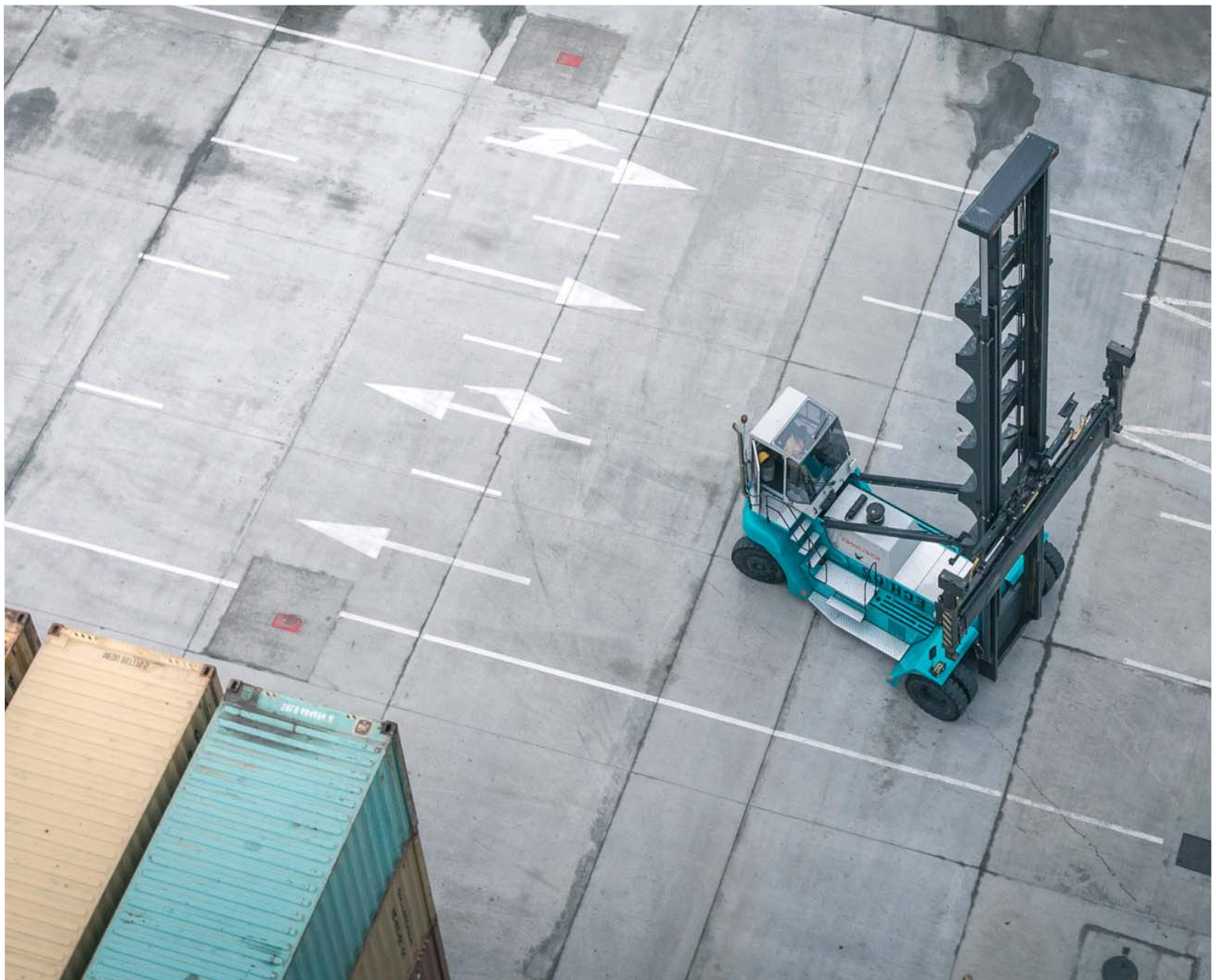
LIFT TRUCKS QUARTERLY

JUNE 2015



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MACRO ECONOMIC TRENDS

Real GDP growth



Currencies



Policy interest rates



Industrial production



Capacity utilization



Purchasing managers index



Inflation



REAL GDP GROWTH Q1 performance of US, Euro area, France grew, however, China, India, Japan, Russia, Brazil, Germany, UK fell.

CURRENCIES In May, Euro appreciated against all major economies except British Pound, Swedish Krona and Russian Ruble.

POLICY INTEREST RATES Policy interest rate fell for China while remained steady for major economies in May.

INDUSTRIAL PRODUCTION Industrial production levels have fallen year-on-year for Finland, Germany, Russia and Sweden but increased for France, Italy, Spain, US, China and UK.

CAPACITY UTILIZATION Capacity utilization remained steady in EU but fell in US.

PURCHASING MANAGERS INDEX PMI rose in Eurozone, US, China, India and globally but fell in Brazil and Russia.

INFLATION Compared to last month, inflation fell in India, Japan, Russia, US but rose in Euro area, China, Brazil.

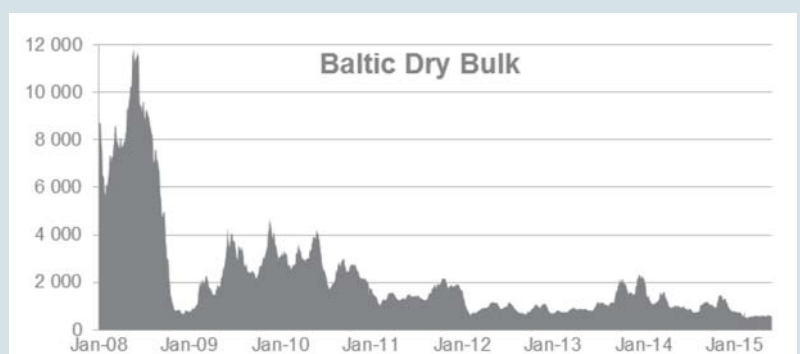
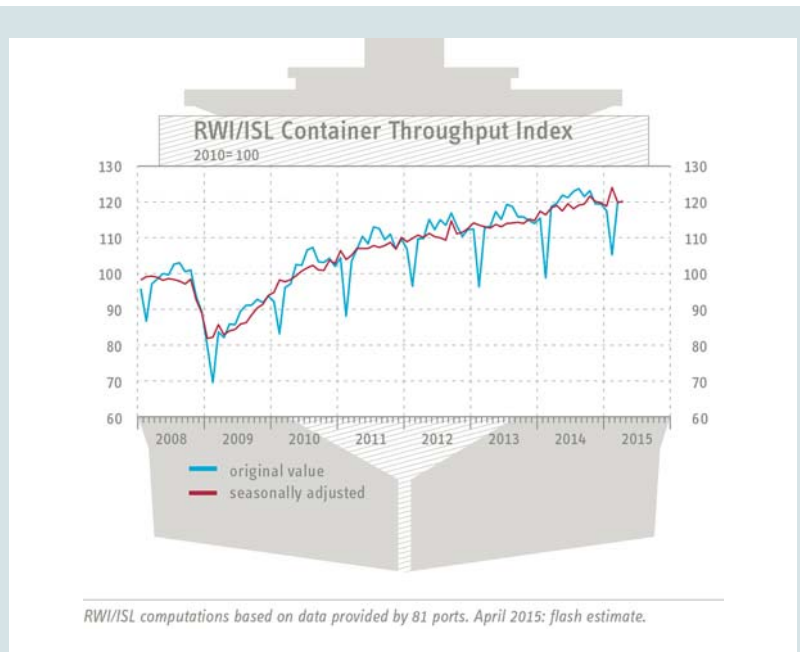
RWI/ILS CONTAINER THROUGHPUT INDEX AND BALTIC DRY BULK.

The Baltic Dry Index was at 589 on 29 May 2015, down 37.3% year-on-year.

The dry bulk shipping market is not expected to return to profitability until 2017, despite a modest recovery in earnings anticipated over the next two years, according to the latest edition of the Dry Bulk Forecaster by Drewry. Return to profitability after 2017 is based on the condition that current rates of demolitions persist and ship owners refrain from placing new orders.

A.P. Møller-Mærsk A/S CEO Nils Andersen believes that small and mid-size containership operators are set to be squeezed out the market in the coming years by larger shippers such as Maersk Line, the Wall Street Journal reports.

As the container shipping market weakens, in particular along the Asia-Europe routes where freight rates have been plunging for some time, Andersen says it is expected that smaller players will sink further into debt. According to him small and mid-size carriers-controlling a 3-5 % percent market share have been unprofitable for the last seven years, with very few exceptions.



SOUTHEAST ASIA PORTS SHOW POSITIVE PROSPECTS

“SOUTHEAST ASIAN CONTAINER PORTS ARE PROJECTED TO GROW FROM 95 MILLION TEU IN 2014 TO 136 MILLION TEU IN 2020, A CAGR OF 6.1%.”

JASON CHIANG

DIRECTOR
DREWRY MARITIME
ADVISORS

According to Drewry Maritime Advisors, container volume throughput at Southeast Asian ports will sustain robust growth through to 2020. At present, Asian container ports represent 57% of total global port container volumes. Most of this throughput passes through the mega container ports in China, Japan, and South Korea. However, ports in Southeast Asia are showing strong growth and now represent a 13.6% share of total global throughput. Southeast Asian ports have exhibited a CAGR of 7.4% in the period from 2000 to 2013.

Drewry found that the strongest growth is set to be seen over the five-year period in emerging economies like Brunei (9.5%), Indonesia (7.3%), Myanmar (7.9%), Thailand (5.6%), and Vietnam (5.6%). The association confirmed that although at present

investment options investing in the region's ports were limited, reforms could result in new opportunities.

Meanwhile a Moody's report on China found that the nation will require around USD 10 billion in investment over the next two years to ensure it remains competitive. The new investment is needed for a range of functions including a complex changing cargo mix and the servicing of ultra large vessels. As a result, ports need to upgrade facilities with peripheral services, delicate cargo handling, and larger cranes. The Port of Shanghai is in the process of developing the Yangshan Deepwater Port and WaiGao Qiao terminals, as it looks to increase Shanghai International Port Group's container throughput to 6 million TEU per annum. The development comes at a cost of USD 2.7 billion.



GLOBAL SECTOR SUMMARY



AUTOMOTIVE

VIETNAM SET TO LEAD ASEAN INDUSTRY GROWTH - THAILAND AUTOMOTIVE INSTITUTE

Vietnam's automotive industry will exhibit the most rapid growth among Southeast Asian countries over the next 20 years. Factors contributing to the projected growth are the increasing consumer demand, a young workforce and strong governmental support for the industry. According to the President of the Thailand Automotive Institute Vichai Jirathiyut, Vietnam is predicted to produce 220,000 units annually by 2020 and 1.5 million units by 2035.



GENERAL MANUFACTURING

ETHIOPIA AIMS TO LEAD AFRICA'S MANUFACTURING SECTOR WITH PLANS FOR INDUSTRIAL HUBS BY 2025

Ethiopia's government is targeting around USD 1 billion of yearly investments in industrial parks over the next ten years. Special Adviser to the Prime Minister Arkebe Equbai confirmed that the country will invest half of the funds raised from Eurobond sales in FY 2015-16 to develop the parks, and aims to expand manufacturing at an annual rate of 25% to 2025. Construction will commence in May 2015 on new industrial zones in Dire Dawa and Adama, while the World Bank is investing USD 250 million in a second Bole Lemi industrial zone. The government will also provide tax incentives to foreign developers of industrial zones, as well as reduced rent rates, which Akebe described as "almost free."



INTERMODAL & RAIL

BRAZIL SET FOR CHINA-BACKED INTERMODAL INFRASTRUCTURE PROJECTS

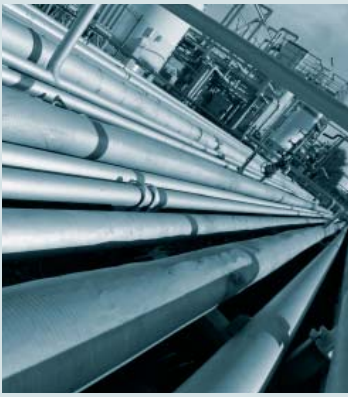
Brazil's intermodal sector could be set for billions of Chinese investment in major infrastructure projects in the ports and railroad sectors, after a visit by Premier Li Keqiang recently. Infrastructure deals actually signed during the visit totaled around USD9 billion, and the flagship project among the series of deals signed is for the construction of a 560-mile stretch of railroad that would help complete a 2,500- to 3,000-mile Bioceanic Rail Corridor. However some remain skeptical about the projects actually coming to fruition, and due to some security fears high investment would be required to ensure a safe and smooth operation on the line.



MINING

JAPAN TO BOOST FUNDING SUPPORT FOR AFRICA'S MINING SECTOR

The Japanese government plans to increase financial support for Japanese companies investing in Africa's mining sector. In 2013 the country pledged USD 2 billion over five years to support Japanese company activities in Africa, however, only USD 220 million of financial support has been actually realized since then. Speaking after meeting with 16 mining ministers from Africa in Tokyo, Minister of Economy, Trade and Industry Yoichi Miyazawa confirmed that the country aims to provide the total remaining planned funding of USD 1.78 billion over the next three years in direct conjunction with African governments to speed up new projects.



OIL & GAS

INDONESIA AIMS FOR REFINERY AND EXPLORATION INVESTMENT DESPITE BLEAK INDUSTRY OUTLOOK

In 2015, Indonesia's oil and gas revenues are slated to fall by around one-third as a result of production costs failing to keep pace with oil prices, which have fallen by around 40%. In order to reduce the impact of depressed oil markets and tough competition the country is considering refinery investment in neighboring countries. Pertamina officially possesses refining capacity of around 1 million barrel per day (bpd), but plans to expand to 2.3 million bpd through upgrades and additional plants. The Indonesian government also aims to open bidding for contracting for a public-private partnership 300,000 barrel-per-day refinery project in East Kalimantan in 2015.



PULP & PAPER

RUSSIA CONSIDERS PRIVATIZATION OF NATIONAL FORESTS

Reports in Russia suggest that the Russian national parliament (State Duma) is exploring options to increase investor interest in the country's pulp and paper sector. One of the options is the privatization of national forests. In addition, the head of Russia's Federal Forestry Agency, Ivan Valentik, confirmed that the State Duma could soon approve an initiative to increase the lease term with tenants from 49 to 98 years, which could significantly improve investor sentiment in the Russian forestry sector. Proponents of the move believe it will lead to industry producers and investors investing greater funds in more pressing issues such as forestry infrastructure.



PORTS

BRAZIL'S PORT CONCESSION PROGRAM PHASE ONE GIVEN GO-AHEAD

The first phase of Brazil's Ports Secretariat (SEP) port concession program, worth some USD 3.3 billion, has received final approvals. The first phase of the program consists of USD 1.4 billion of new port concessions at Santos and Para. The approvals will allow the opening of a concession award process for 26 terminals in the two states. The SEP has recommended to not adopt a tender system focused just on the lowest port service tariffs. The new concession contracts will also be based on the best concession payment offered. The 236,000 sq. m facility project consists of the merging of the Deicmar roll-on/roll-off (ro-ro) special project terminal, the small container terminal of Rodrimar, the container storage facility of Termares and the Citrusuco Paulista small fruit juice terminal.



POWER

WASTE TO ENERGY:

India's Andhra Pradesh state set for waste projects totaling 130 MW

FOSSIL FUELS:

Turkish government plans to double coal-fired power capacity to 60 GW by 2020

WIND POWER:

Industry concerned as UK government pledges to end onshore wind subsidies



STEEL

INDIA HOPES TO TRIPLE STEEL CAPACITY BY 2025

India Steel and Mines Minister Narendra Singh Tomar has announced that the Indian government aims to increase domestic steel production threefold by 2025. The government expects to see investment in the sector from Indian companies to 2025 total USD 46.13 billion. India's current steel production capacity stands at 88 million tons. Modi's government has already amended the land-acquisition law through executive orders in order to make it simpler for industrial companies to acquire land for facilities. Tomar also confirmed that SAIL will invest a further USD 23.5 billion to 2025 to boost existing production capacity to 50 million tons.



LOMÉ CONTAINER TERMINAL

A NEW DAWN FOR TOGO

THE TIL GROUP'S BRAND NEW CONTAINER TERMINAL ON THE WEST AFRICAN COAST IS OPEN FOR BUSINESS, AND LOOKS SET TO BECOME THE REGION'S PREMIER CONTAINER TRANSSHIPMENT TERMINAL.

At sunrise Togo's Lomé Container Terminal (LCT) is a delightful 19 degrees Celsius. The morning breeze does not yet betray the tropical storm brewing offshore. From atop Ship-to-Shore crane #03 the terminal looks like a concrete oasis, with new Konecranes Rubber Tired Gantry (RTG) cranes and lift trucks moving steadily about their business between neatly ordered stacks of containers. From up here, one can clearly see where the calm industriousness of the port ends and the early morning thrum of downtown Lomé abruptly begins. Fat raindrops begin to fall, and as we dash for our vehicles the terminal becomes a blur of warm rain.

The storm does not last long and soon the familiar beep-beep-beep of moving RTGs once again fills the air.

"The LCT project will put Lomé on the map as one of the world's important ports and container terminals, and as the first deep sea port enabling transshipment from mainliners directly from the Far East to the West Coast of Africa," LCT's Chief Executive, **Fred Kamperman**, explains.

"We have received outstanding support from every department of the Togolese government," he continues. This should come as no surprise – at 300 million euros, LCT is the largest-ever private investment project in Togo.

The terminal is only halfway complete and already operates at 1.2 million twenty-foot equivalent units (TEUs) per year – final capacity will be 2.2 million TEUs. As **Marc Desmons**, TIL's Engineering Services Manager, blithely puts it, "We have only just begun."

LCT's goal is simple – to become the premier transshipment container terminal on the west coast of Africa replete with state-of-the-art systems and equipment. Current ship drafts in the region are limited to between 11 meters and 11.5 meters. In 2015, LCT already has a draft of 16.6 meters. LCT has the option to expand by another 40 hectares whenever the business dictates.

The terminal is currently able to handle container ships of up to 14,000 TEUs, and new equipment on order will be capable of accommodating the largest container ships with a capacity of 18,400 TEUs.

When the terminal is operating at full capacity, Desmons is adamant that the terminal's RTGs will complete 4,000 running hours

annually, for a total of 55,000 moves per year – the maximum design capacity of the machines.

"We have only just begun."

– Marc Desmons, Engineering Services Manager at TIL

Naturally, a large part of achieving such efficiency is selecting the right equipment. Last year, LCT purchased 22 RTGs – 12 of which have been delivered, with another 10 in production – as well as four reach stackers and seven empty container handlers from Konecranes.

Altogether, Konecranes has delivered in excess of 100 RTGs and 1,000 lift trucks to Africa. The company understands the challenging operational environment and the importance of manufacturing machines that adhere to the highest standards of endurance and reliability.

TIL opted to primarily operate electric RTGs at LCT. Desmons and his team calculated that an electric RTG can save up to 60% of the fuel and maintenance costs associated with diesel RTGs. While the electrification of RTGs is a growing trend around the world, in Africa it is almost unheard of.

When challenged on the point that the supply of electricity is unreliable in many parts of Africa, LCT is bullish: "Not only do we have undertakings from the government regarding electricity supply, we are connected to the grid via Benin and Lomé Bay. Having said that, we do have a back-up diesel-driven power plant with a capacity of 15 megawatts, so we can operate the terminal during any power failure," says Kamperman.

The fact that so much of their state-of-the-art equipment is a first for Togo made finding and training local crane operators a real challenge. To help the crane operators, Konecranes not only customized the RTG cabins and controls to LCT's specifications, but also ensured that the terminal had a full set of real controls for the training simulations that were developed. Immersive product familiarization and safety awareness provided by Konecranes were also important parts of the intensive training given to the crane operators.

LCT's electric RTGs are powered by a busbar system featuring a specially built power rail. They can connect and disconnect from the power rail automatically by means of a specialized arm, and

can be moved across the terminal using a small diesel engine. LCT's RTGs are integrated with the terminal's computerized power system, which is designed to monitor the power consumption of all of the facility's buildings and equipment. LCT also opted for Konecranes' TRUCONNECT® Remote Monitoring service, which allows Konecranes technicians to monitor the cranes remotely and collaborate with on-site engineers to fix problems that might occur.

"We knew that we were going to come here with very high-tech equipment, so first we had to be certain that we had all of the support from the equipment suppliers to provide service and maintenance that is not necessarily available locally," says Desmons. "Konecranes are world leaders in what they do – they are at the cutting edge of lifting technology. However, the on-the-ground support and local know-how provided by Paterson Simons played a large role in our decision."

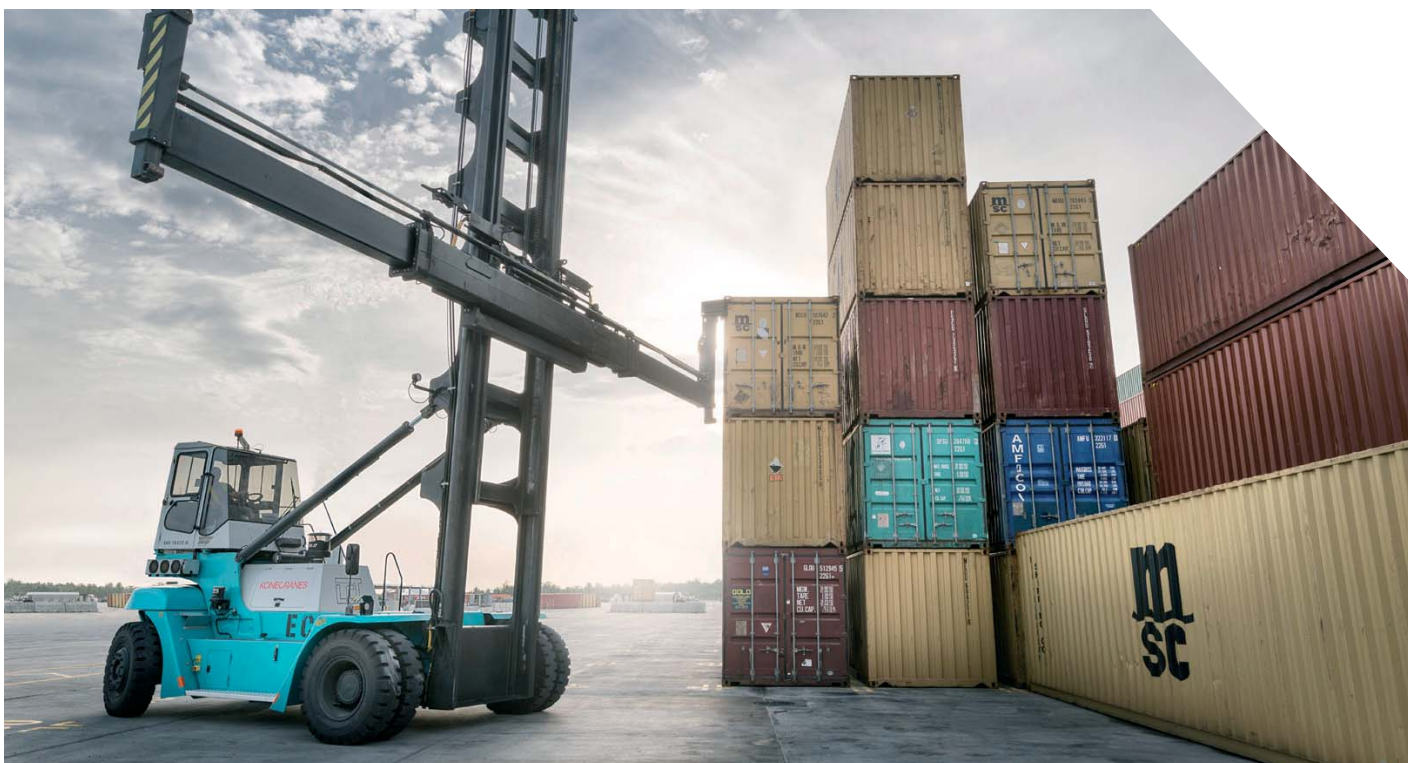
Paterson Simons is a UK-based lifting and handling equipment sales and service provider with offices in Ghana, Nigeria, Togo and soon Liberia. Using a combination of local and expat skills,

they provide the critical service and maintenance back-up that Konecranes customers in the region demand.

Henry Lyne, Chairman of Paterson Simons, elaborates, "As a group, our role was to reassure LCT that the equipment would be maintained by a team of factory-trained engineers who would be on-site 24 hours a day. We have, in fact, placed extra technicians on site to ensure that everything runs smoothly, especially in the beginning stages."

Paterson Simons has subsequently employed and trained 13 local technicians, under the leadership of senior Paterson Simons engineers. "It was the Konecranes partnership with Paterson Simons that made their product package so attractive to us," says Desmons.

Kamperman sums up the terminal's requirements from Konecranes: "The demands of our customers and the demands of our environment make us a demanding client. The success of this partnership was based on the personal approach and consistent contact, the proven reliability of the equipment and the fact that the supplier is familiar with the environment we operate in."



ABOVE:
ONE OF SEVEN KONECRANES
EMPTY CONTAINER
HANDLERS AT LCT.

RIGHT:
LIFT TRUCKS AT WORK
INSIDE THE TERMINAL.



60 SECONDS

WITH



GÖRAN PEHRSSON SERVICE MANAGER

Q Do you see any trends within service?

A Our machines are used more intensively, and operations running 24/7 is not unusual. This means of course higher demands on reliability and uptime of our machines. In the case of something going wrong, a fast reaction is always required.

Q What is Konecranes main focus within service?

A The customer! To act fast and accurately on non-conformities in order to minimize down time. We also focus on following up and analyzing field feedback in order to improve quality and product development. While TRUCONNECT® is an outstanding tool personal contact and awareness of the various needs of the customer remains our most valuable tool.

Q How does Konecranes work with safety within service?

A Servicing mobile heavy lifting equipment in the field is challenging by nature, and safety always comes first. Therefore all "near misses" are reported and discussed, engineers receive continuous training, and most importantly our machines are developed to deliver safety to the customer.

Q Tell us something about yourself that no one else knows?

A I'm heavily interested in technical equipment, especially vintage farm tractors and machines. I have a few oldies at home that I use in the forest for shoveling snow or anything else I can find.

EVENT CALENDAR

24 - 25
JUNE

24 - 25 June
ASEAN Port & Shipping
Jakarta Indonesia

23 - 25
SEPT

23 - 25 September
INMEX
Mumbai

20 - 22
SEPT

20 - 22 September
IANA
FT Lauderdale

5 - 8
OCT

5 - 8 OCTOBER
BREAK-BULK AMERICAS
Huston

13 - 15
OCT

13 - 15 OCTOBER
TOC AMERICAS
Panama



SWEDEN TODAY

ROYAL WEDDING

On the 13th of June a royal wedding in Sweden, between HRH Prince Carl Philip and Miss Sofia Hellqvist, was held. The wedding of HRH Prince Carl Philip and Miss Sofia Hellqvist took place in the Royal Chapel at the Royal Palace of Stockholm. Sofia Hellqvist will be known as HRH Princess Sofia, Duchess of Värmland upon her marriage to Prince Carl Philip of Sweden.



SWEDISH MIDSUMMER

In agrarian times, Midsummer celebrations in Sweden were held to welcome summertime and the season of fertility. Always on a Friday between 19 and 25 June, the day is marked with such traditions as dancing around the maypole, making of flower wreathes, and traditional food shared with large groups of friends and family.



5000TH LIFT TRUCKS ROLLS OFF KONECRANES PRODUCTION LINE

The Swedish Lift Truck business of Konecranes celebrated an incredible milestone on 28th of May as it handed over its 5000th unit. Testament not only to the increasing popularity of these machines, but also to Konecranes's consistency and expertise. The special customer receiving the 5000th machine is the Cargo Terminal Lehmann, owned and managed by the Hans Lehman group, a German shipping and ports operations company with further interests in ready-mixed concrete.

The 5000th unit is a SMV 4538 CCX4, a reach stacker especially designed for intermodal operations and with capacity to lift wagons, trailers and swap bodies up to 45 tons capacity at 1st rail. The reachstacker is equipped to have up to 35 tons capacity at 2nd rail to fit the customer's row rail operations at 6,450 mm load centre. The machine is one of the latest C generation lift trucks and comes with an all-new Optima cabin, and complies with EU stage 4 engine regulations.

Konecranes has in-depth knowledge in these types of machines and have delivered reach stackers for intermodal operations

throughout the world for many years.

Lehmann will attend a special hand-over at the Konecranes production plant in Markaryd. Janne Kangaste, Managing Director of Lehmann says: "The top of the class service network and care from the distributor together with a hard-working machine, specialized for our needs in rail handling, is really what makes us comfortable and happy with Konecranes". Sales Area Manager, Germany Ralf Gowin continues, "It is a great pleasure to be able to provide a quality company such as Lehmann with our products."

Lars Fredin, Senior Vice-President and Head of Business Unit Lift Trucks concludes, "We could not be prouder of this achievement, it speaks to our team's commitment to consistently produce products of quality. It's important to take time out on these occasions and acknowledge the wonderful customers and staff that got us to this point."



SWEDEN



LIFT TRUCKS AT WORK

USA



SWEDEN



EIMSKIP - ICELAND



DSF - FINLAND



USED LIFT TRUCKS

[CLICK HERE](#)

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